

FIVE YEAR STRATEGIC PLAN

1999 - 2003

March 25, 1999

Table of Contents

Preface.....	1
Background.....	2
Continuum of Housing.....	2
Vision for the Year 2003.....	3
Policies.....	4
HCDCH Strategic Plan	5
 GOAL 1: INCREASE AND PRESERVE RENTAL HOUSING OPPORTUNITIES FOR LOW- INCOME HOUSEHOLDS AND SPECIAL NEEDS GROUPS IN INDEPENDENT AND SUPPORTIVE LIVING ENVIRONMENTS.....	 8
 Objective 1-1. 500 new or rehabilitated rental units affordable to low and very low-income households per year.....	 8
 Assist private non-profit and for-profit developers as well as other state, county, and federal agencies through state incentives, funding programs, and development assistance (e.g., low interest loans, grants, tax credits, tax exemptions, 201G assistance, etc.).....	 8
 Seek additional financial resources to fund rental programs.....	 10
 Objective 1-2. 125 newly developed special needs units/beds in supportive environments per year.....	 11
 Assist private non-profit and for-profit developers, as well as other state, county, and federal agencies through state incentives and funding programs.	 11
 Develop a program to address aging-in-place in elderly housing projects.....	 11
Facilitate the establishment of homeless shelters and services on 13 acres in Barbers Point Naval Air Station (BPNAS).....	 12
 GOAL 2: REVITALIZE EXISTING RENTAL PROJECTS WHILE PROMOTING HEALTHY NEIGHBORHOODS AND STRONG COMMUNITIES.	 12
 Objective 2-1. 1,500 renovated or reconstructed units over a 5-year period.....	 13

Seek financial resources pursuant to a comprehensive plan to renovate, improve, or reconstruct state and federal public housing projects which takes into account all completed, ongoing, or planned projects for each housing project.	13
Provide a system of maintenance for public housing projects that will provide safe, clean, and attractive units.	13
Objective 2-2. Housing accessibility for persons with disabilities.	14
Bring public housing projects into compliance with the Americans with Disabilities Act .	14
Objective 2-3. Physically revitalized housing projects and communities.	15
Deconcentrate low-income public housing projects to reduce the isolation of low-income groups within a community or geographic area.	15
Integrate public housing projects into the surrounding communities.	15
 GOAL 3: ASSIST PERSONS IN HOUSING PROGRAMS AND FACILITES ADMINISTERED BY THE CORPORATION TO ACHIEVE HIGHER LEVELS OF ECONOMIC INDEPENDENCE.	 16
Objective 3-1.150 households transition from homeless shelters to permanent housing.	16
Link homeless persons and families with permanent housing.	16
Objective 3-2. Annually assist 5% or 300 public housing residents in attaining their economic self-sufficiency goals.	16
Determine special/economic needs of residents within the context of their projects and communities.	16
Provide needed services as identified in the Resident Services Plan.	17
Establish community-based resource facilities (to conduct education, job training, health, social services, crime-reduction, etc. programs) through partnerships with private non-profits and for-profit and other government agencies through state and federal incentive and funding programs.	19
 GOAL 4: INCREASE HOMEOWNERSHIP OPPORTUNITIES.	 20

Objective 4-1. 750 first-time homebuyers through financing, development, and incentive programs per year.	20
Proactively administer homeownership programs.	20
Transfer selected parcels of land (focusing on ceded lands) to the Department of Hawaiian Home Lands.	21
Participate in obtaining land use entitlements for State land in East Kapolei to facilitate residential development.	21

GOAL 5: IMPROVE THE HOUSING DELIVERY SYSTEM THROUGH THE COST-EFFECTIVE MANAGEMENT OF GOVERNMENT PROGRAMS AND RESOURCES..... 22

Objective 5-1. Housing programs that promote fair housing, are responsive to the changing needs of the community, “user” friendly, efficiently and effectively managed, and in compliance with county, state, and federal rules and regulations.	22
Regularly assess the general housing market and public housing and homeless services needs of low and moderate-income households and persons with special needs.	22
Review, evaluate, and where necessary, revise current housing policies and programs to ensure equal housing opportunities, respond to changing government regulations, consumer needs, etc. and streamline and enhance operations and coordination.	23
Maintain a Housing Advocacy and Information System that is accessible to housing consumers, providers and decision-makers.	25
Establish programs to enhance operational efficiency in public housing.	25
Develop an asset management plan for properties owned or controlled by the HCDCH including master planned communities, East Kapolei, uncompleted in fill projects, and state and federal public housing projects.	26
Objective 5-2. Efficient operations and communications within the HCDCH.	27
Conduct periodic internal management reviews.	27
Coordinate requirements of Management Assessment directives that measure performance of the HCDCH to ensure program integrity and accountability in essential program operations.	29
Objective 5-3. Financially sustainable housing programs.	29

Reduce operating deficit for state public housing programs.	29
Dedicate infrastructure that is currently being maintained by the HCDCH to the appropriate counties.	30
Appendix A.....	31
Appendix B.....	32
Appendix C.....	37
Appendix D.....	38



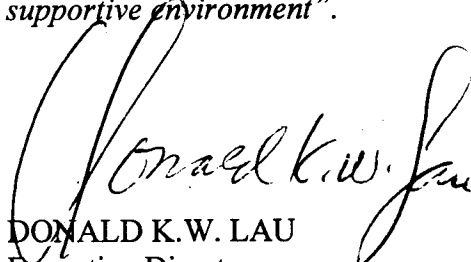
STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX (808) 587-0600

Preface

The Housing and Community Development Corporation of Hawaii commenced its operations on July 1, 1998. The HCDCH was created by the passage of Act 350, Session Laws of Hawaii 1997, which consolidated the Hawaii Housing Authority, Housing Finance and Development Corporation, and the Rental Housing Trust Fund Commission into a single housing agency.

The HCDCH Strategic Plan charts a course of action for the Corporation during the next five years, from 1999-2003. Given the State's limited resources, the Plan focuses on the Corporation's priority goals in the areas of rental and supportive housing, community revitalization, resident self-sufficiency, homeownership, and the efficient and fair delivery of housing and supportive services. The Plan contains measurable objectives and implementing actions so we can track our progress in fulfilling our mission *"to serve as a catalyst to provide Hawaii's residents with affordable housing and shelter opportunities in a balanced and supportive environment"*.


DONALD K.W. LAU
Executive Director

HCDCH STRATEGIC PLAN 1999 – 2003

Background

Act 350, Session Laws of Hawaii 1997, consolidated the Hawaii Housing Authority (HHA), Housing Finance and Development Corporation (HFDC), and the Rental Housing Trust Fund Commission (RHTF) into a single housing entity effective July 1, 1998. Previously, the HHA managed federal and state low-rent public housing projects and subsidy programs, as well as facilities to assist the homeless. The HFDC administered housing finance and development programs to assist low and moderate-income renters and first-time homebuyers. The RHTF financed affordable rental housing projects. With the creation of the Housing and Community Development Corporation of Hawaii (HCDCH or the Corporation), these various functions are now under one roof.

With the consolidation, it is not “business as usual”. Numerous factors including the State’s struggling economy, the subsequent downturn in the real estate market, changes in federal housing policy, welfare reform, diminishing housing resources, etc. contribute to the need to revisit and revise the State’s housing strategies. Direct government intervention in the housing market is no longer necessary. There is a need to leverage the State’s limited resources and collaborate with the private sector and other government agencies to provide Hawaii’s people with fair and affordable housing opportunities.

Continuum of Housing

Housing needs run along a continuum that ranges from no shelter to permanent rental and for-sale housing. Thus, the Corporation has adopted a comprehensive and integrated approach in providing Hawaii’s residents with opportunities for affordable housing and supportive services.

No shelter	Emergency Shelter	Transitional Housing	Permanent Rentals	Permanent Homeownership
------------	-------------------	----------------------	-------------------	-------------------------

The level and type of housing assistance depends on where one falls within the continuum of housing. The unsheltered homeless need immediate relief. The first response is outreach and assessment to identify an individual's or family's needs and connect them with facilities and services. Moving along the continuum, emergency shelter provides a safe, decent alternative to the streets; transitional housing provides appropriate supportive services, such as job training, child care, substance abuse treatment, mental health services and instruction in life skills. This comprehensive response to the different needs of homeless individuals and families is coordinated among federal, state, county and private nonprofit entities.

Further along the continuum is permanent housing (for rental or homeownership). Federal and state low rent public housing and rental subsidy programs provide very low and lower income individuals and families with access to safe, decent and affordable housing. The Corporation's financing and development assistance programs facilitate the development of affordable housing to address the persistent shortage of such housing. Programs include, but are not limited to, low-income housing tax credits, multi-family bond financing, interim construction financing, and Hula Mae single family mortgage loans for first-time homeowners.

Vision for the Year 2003

In the Year 2003, there are expanded programs for the homeless and special needs groups in Hawaii, with new facilities at Barbers Point. Homeless individuals and families are placed directly into transitional shelters and public housing. In these facilities, families receive supportive services such as life skills, training/education, and employment placement and tools such as savings incentives that help them to succeed and move into the private rental housing market. New families that require these important services replace departing residents.

The Corporation has comprehensively assessed the physical needs of each federal housing project and has made a determination whether a project will be demolished and rebuilt or rehabilitated. Plans and funding to revitalize Mayor Wright Homes are in place and involves a neighborhood-wide economic revitalization effort; Kalihi Valley Homes is under renovation; and the Kuhio Park Terrace Resource Center is built.

The Corporation is leveraging its resources to increase the rental housing stock for low and very-low income residents and create increased opportunities for first-time homebuyers. A continuous and permanent source of funding for the Rental Housing Trust Fund is secured. Users of housing finance and development assistance programs are pleased with the speed and efficiency involved in getting help from the State of Hawaii. State resources are utilized by private and nonprofit entities to provide a mixture of incomes in existing federal and state public housing developments.

The Corporation is affirmatively furthering fair housing. Corporation staff works with County governments, the private sector, and communities in making things happen. They are facilitators and catalysts. They receive ongoing training opportunities to keep abreast of changes in the housing market, implementation strategies, and skills.

Policies

The "Governor's Blueprint for Affordable Housing" provides the framework for the State's role in the housing arena. Building upon this blueprint, the Corporation has adopted the following policies which set the direction for the Corporation and serve as the basis for the HCDCH's Strategic Plan:

1. Focus on increasing and preserving permanent rental housing opportunities for the most vulnerable households (e.g., very low and low-income households and special needs groups).

2. Assist private developers and nonprofit entities in providing affordable housing in independent and supportive settings. The Corporation shall be a facilitator of housing opportunities rather than directly undertake development and associated risks.
3. Foster resident responsibility and self-sufficiency rather than dependency.
4. Facilitate community development versus stand-alone housing projects.
5. Strive to maintain self-supporting housing operations.
6. Continually re-examine the way we do business. The Corporation shall re-assess its housing programs to ensure that they promote fair housing, are truly working, and meeting the needs of housing consumers.

HCDCH Strategic Plan

The following HCDCH Strategic Plan is for the five-year period from 1999 to 2003. There are five priority goals, which are listed below.

1. Increase and preserve rental housing opportunities for low-income households and special needs groups in independent and supportive living environments.
2. Revitalize existing rental projects while promoting healthy neighborhoods and strong communities.
3. Assist persons in housing programs and facilities administered by HCDCH to achieve higher levels of economic independence.
4. Increase homeownership opportunities.

5. Improve the housing delivery system through cost-effective management of government programs and resources.

The relationship between the policies established in the previous section and the above-mentioned goals is shown in the following matrix.

Policies :	Goals:				
	Increase/preserve rental housing opportunities for low-income & special needs groups	Revitalize existing rental projects while promoting healthy neighborhoods & strong communities	Assist persons in programs administered by HCDCH to achieve higher levels of economic independence	Increase homeownership opportunities	Improve the housing delivery system through the cost-effective management of government programs & resources
Focus on increasing/preserving permanent rental housing for most vulnerable	•				
Assist private developers & nonprofits to provide affordable housing in independent & supportive settings (facilitator)	•	•	•	•	
Foster resident responsibility & self-sufficiency			•	•	
Facilitate community development v. stand-alone housing projects		•			
Strive to maintain self-supporting housing operations					•
Continually re-examine the way we do business					•

To aid the Corporation in achieving its goals, the Plan articulates measurable objectives, general strategies for reaching the objectives, and implementing actions. The implementing actions identify (1) the action or project that will be carried out; (2) the branch or section(s) within the Corporation that will take the lead or assist in implementation; (3) the timeframe for implementation; and (3) the estimated resources that will be needed. Appendix D provides a glossary of program descriptions, terminology and acronyms used in the Plan.

GOAL 1: INCREASE AND PRESERVE RENTAL HOUSING OPPORTUNITIES FOR LOW-INCOME HOUSEHOLDS AND SPECIAL NEEDS GROUPS IN INDEPENDENT AND SUPPORTIVE LIVING ENVIRONMENTS.

***Need** – Approximately 11,000 units affordable to households earning 80% of the median income and below are estimated to be needed from 1999 to 2003. (Source: Hawaii Housing Policy Study, 1997 Update) Currently, an estimated 4,004 homeless individuals and 5,091 homeless persons in families with children are in need of emergency, transitional or permanent supportive housing. (Source: Consolidated Plans for the City and County of Honolulu, 1998 and the State of Hawaii, 1998)*

***Discussion** – Many low-income households are not adequately sheltered. There is a high incidence of overcrowding, substandard structures, and cost burden. Numerous households are homeless or a paycheck away from homelessness. Increasing the supply of safe, decent, and affordable housing will improve the quality of life for many of the State's low-income households. Many of the low-income households can live independently, while others such as those in special needs groups require a supportive housing environment.*

Objective 1-1. 500 new or rehabilitated rental units affordable to low and very low-income households per year.

- **Strategy 1-1.1**

Assist private non-profit and for-profit developers as well as other state, county, and federal agencies through state incentives, funding programs, and development assistance (e.g., low interest loans, grants, tax credits, tax exemptions, 201G assistance, etc.).

- **Implementing Actions/Projects:**

1-1.1(A) Update the consolidated application package of HCDCH financing and development assistance programs for use by non-profits and private developers; streamline the processing of applications for assistance.

Lead: FB

Assist: ASO, DB, HIO, Non-Profits, Private Developers

Timeframe: June 1999 - ongoing

Approximate Available Resources:

LIHTC \$1.8M per year

HDRF \$300,000

RARF \$23M

MF \$160M

1-1.1(B) Assess the feasibility and if found to be feasible, seek Board approval to assist in the development of the following priority rental projects:

Project	Feasibility	RFP	Completion
<u>Iwilei</u>	1 st Qtr FY1999	1 st Qtr CY2000	4th Qtr CY 2001
Kalihi, Oahu (138 units)			
Pohukaina Elderly	2 nd Qtr FY1999	1 st Qtr 2001	2 nd Qtr CY 2002
Kakaako, Oahu (150 units)			

Lead: DB

Assist: ASO, FB

Timeframe: 1999 - 2002

Approximate Available Resources: \$33.9M (Iwilei)

Source of Funding: To be determined on a project-by-project basis. (DURF, CIP, RHTF, bonds, tax credits, private)

1-1.1(C) Award federal and state tax credits to developers of affordable rental units that would result in the development of approximately 200 – 250 units per year.

Lead: FB

Assist: DB, PEO, PMMB

Timeframe: Annual-funding cycles

1 st Yr.	- Applications Available:	4 th Qtr CY1998
	- Applications Due:	1 st Qtr CY1999
	- Board Action:	2 nd Qtr CY1999
2 nd thru 5 th Yr.	- Applications Available:	4 th Qtr CY1999
	- Applications Due:	4 th Qtr CY1999
	- Board Action:	2 nd Qtr CY2000

Approximate Available Resources: Approximately \$14M in federal and \$4.2M in state tax credits over a 10-year period

1-1.1(D) Award capacity building, pre-development, and project grants/loans from the Rental Housing Trust Fund (RHTF) to result in the development of approximately 200 units per year, subject to fund availability. (Projects may also receive tax credits.)

Lead: FB

Assist: DB, PEO, PMMB

Timeframe: Annual and ongoing.

1 st Yr.	- Applications Available:	4 th Qtr CY1998
	- Applications Due (1 st Round):	1 st Qtr CY1999
	- Board Action:	2 nd Qtr CY1999
	- Applications Due (2 nd Round):	3 rd Qtr CY1999
	- Board Action:	4 th Qtr CY1999
2 nd thru 5 th Yr.	- To be determined annually by RHTF Advisory Commission and HCDCH Board of Directors.	

Approximate Available Resources: Approximately \$14M available in FY1999 with dedicated annual funds of approx. \$1.3M. . Will seek approval for Governor's message to appropriate \$10M in FY 99 and \$10M in FY 00.

1-1.1(E) Provide interim construction financing through the Rental Assistance Revolving Fund Construction Loan program to result in the development of approximately 100 units per year.

Lead: FB

Assist: DB, PEO, PMMB

Timeframe: Open application

Approximate Available Resources: Approx. \$11.5M available in fund (committed for FY1999) which can be combined with taxable bond funds to increase fund balance to approx. \$23M.

- **Strategy 1-1.2**

Seek additional financial resources to fund rental programs.

- **Implementing Actions/Projects:**

1-1.2(A) Apply for additional Section 8 vouchers and certificates to increase allocation by 15% in five years.

Lead: PMMB

Assist: ASO, PEO

Timeframe: Apply in 4/99

Approximate Available Resources: Currently receive approximately 2,200 Section 8 vouchers/certificates, increase by 330 to 2,530

1-1.2(B) Increase funding for the Rental Housing Trust Fund primarily by identifying dedicated continuous source(s) of funding that would meet the annual demand.

Lead: FB

Assist: PEO, PMMB

Timeframe:

1st Yr. 1st Qtr CY1999

a. Establish Ad Hoc Committee of RHTF members.

2nd Qtr CY1999

b. Research alternative funding sources.

3rd Qtr CY1999

c. Continue research and formulate possible proposals.

d. Present proposal to Board, prepare proposed legislation, and submit as administrative proposal.

Approximate Available Resources: \$10M per year - Targeted

1-1.2(C) Seek State general fund appropriations to replenish the Rental Assistance Fund to meet rental assistance contracts.

Lead: FB

Assist: PEO

Timeframe: 2001 session

Approximate Available Resources: TBD

Objective 1-2. 125 newly developed special needs units/beds in supportive environments per year.

- Strategy 1-2.1
Assist private non-profit and for-profit developers, as well as other state, county, and federal agencies through state incentives and funding programs.

- **Implementing Actions/Projects:**

1-2.1(A) Coordinate and apply annually for \$450,000 in HUD Super NOFA homeless funds to provide supportive housing facilities and services on the Neighbor Islands.

Lead: HPS

Assist: PEO, ASO

Timeframe: Jan 1999 - Continuous

Approximate Available Resources: \$450,000

1-2.1(B) Provide technical assistance to sub-recipients (e.g., provide rules, coordinate reporting to HUD, monitor compliance).

Lead: HPS

Assist:

Timeframe: Jan 1999 – Continuous

Approximate Available Resources: 1% of \$450,000 (administrative fees)

1-2.1(C) Establish a loan program to develop or rehabilitate housing for persons with special needs using \$1.2M CIP appropriation to provide approximately 25 units.

Lead: FB

Assist: ASO, DB, HIO

Timeframe: 1st Qtr CY1999

Approximate Available Resources: \$1.2M CIP

- Strategy 1-2.2
Develop a program to address aging-in-place in elderly housing projects.

- **Implementing Actions/Projects:**

1-2.2(A) Establish a task force to explore feasible options for the development of assisted living facilities for the low-income frail elderly.

Lead: PEO

Assist: DB, FB, other state agencies, nonprofits

Timeframe: 3rd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$0

1-2.2(B) Coordinate the development of a pilot program for aging-in-place in an elderly housing project.

Lead: DB

Assist: PEO, FB

Timeframe: 3rd Qtr 1999 – 4th Qtr 2000

Approximate Available Resources: \$0

- Strategy 1-2.3
Facilitate the establishment of homeless shelters and services on 13 acres in Barbers Point Naval Air Station (BPNAS).

- **Implementing Actions/Projects:**

1-2.3(A) Seek approximately \$1.4M for the planning and design of facilities for homeless families and the homeless mentally ill to assist approximately 300 people per year.

Lead: HPS

Assist: DB, ASO

Timeframe: 2nd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: TBD

1-2.3(B) Develop a business plan for supportive services for the homeless at BPNAS.

Lead: HPS

Assist: DB, nonprofits

Timeframe: 1st Qtr 1999

Approximate Available Resources: \$0

GOAL 2: REVITALIZE EXISTING RENTAL PROJECTS WHILE PROMOTING HEALTHY NEIGHBORHOODS AND STRONG COMMUNITIES.

Need – The HCDCH owns and operates 5,407 federal and 1,170 state public housing units. Of this inventory, approximately 49% are 30 plus years old and in need of substantial repair or rehabilitation.

Discussion – As housing projects wear, building codes change, or laws and regulations change, the Corporation must be innovative and anticipatory in meeting each of these changes. However, funding to maintain the projects and comply with changing laws and regulations is becoming more difficult to obtain. Therefore, limited housing assets and resources must be prudently budgeted and expended for the physical revitalization of public housing projects to ensure rental availability. Moreover, the Corporation must collaborate with other key stakeholders in the communities in which housing projects are located. We must seek out community partnerships and harness market forces to help communities thrive.

Objective 2-1. 1,500 renovated or reconstructed units over a 5-year period.

- **Strategy 2-1.1**

Seek financial resources pursuant to a comprehensive plan to renovate, improve, or reconstruct state and federal public housing projects which takes into account all completed, ongoing, or planned projects for each housing project.

- **Implementing Actions/Projects:**

2-1.1(A) Request CIP funding to design and reconstruct state housing projects.

Lead: DB, ASO

Assist: PMMB, ASO

Timeframe: 1999-2003

Approximate Available Resources: See charts at Appendix A (CIP)

2-1.1(B) Request HUD Comprehensive Grant Program (CGP) funding for federal housing projects. See Appendix A for a detailed listing of projects.

Lead: DB, ASO

Assist: PMMB

Timeframe: FY1999 - 2003

Approximate Available Resources: See Appendix B (Comprehensive Grant Program)

- **Strategy 2-1.2**

Provide a system of maintenance for public housing projects that will provide safe, clean, and attractive units.

- **Implementing Actions/Projects:**

2-1.2(A) Develop a preventive maintenance program for public housing projects.

Lead: PMMB

Assist: DB, ASO

Timeframe: CY1999

Approximate Available Resources: \$150,000 (CGP)

2-1.2(B) Develop a schedule of extraordinary maintenance.

Lead: DB, PMMB

Assist: ASO

Timeframe: 3rd Qtr CY2000

Approximate Available Resources: \$25M (CGP (Federal) and CIP (State))

2-1.2(C) Update Physical and Management Needs Assessment for federal public housing projects.

Lead: DB, PMMB

Assist: ASO

Timeframe: 3rd Qtr 1999 – 1st Qtr 2000

Approximate Available Resources: \$150,000 - CGP

2-1.2(D) Update Physical Needs Assessment for State public housing projects. The findings will be used to assess the feasibility of retaining the State Elderly Housing and Teacher Housing programs, as well as to determine the "best use" for State public housing properties.

Lead: DB, PMMB

Assist:

Timeframe: 2nd Qtr 1999 – 3rd Qtr 2000

Approximate Available Resources: \$50,000 (CIP)

Objective 2-2. Housing accessibility for persons with disabilities.

- Strategy 2-2.1
Bring public housing projects into compliance with the Americans with Disabilities Act (ADA).

- **Implementing Actions/Projects:**

2-2.1(A) Complete ADA transition plan.

Lead: CO

Assist: PMMB

Timeframe: 2nd Qtr 1999

Approximate Available Resources: \$75,000 (Operating funds)

2-2.1(B) Seek and obtain State CIP funding for State projects to comply with ADAAG requirements.

Lead: DB

Assist: CO, PMMB, ASO, PEO

Timeframe: 2000 Legislative Session

Approximate Available Resources: \$3.655M (CIP)

2-2.1(C) Obtain Comprehensive Grant Program funding to retrofit federal projects to increase accessible units to at least 5% and modify non-dwelling facilities to comply with ADA requirements.

Lead: DB, CO

Assist: ASO

Timeframe: FFY1998 - \$528,963, FFY1999 - \$976,292,

FFY2000 - \$409,735, FFY2001 - \$500,026,

FFY2002 - \$482,317

Approximate Available Resources: See above, source of funds: (CGP)

Objective 2-3. Physically revitalized housing projects and communities.

- **Strategy 2-3.1**

Deconcentrate low-income public housing projects to reduce the isolation of low-income groups within a community or geographic area.

- **Implementing Actions/Projects:**

2-3.1(A) Implement HUD mixed income policy in coordination with other HCDCH rental programs.

Lead: PMMB

Assist: PEO, FB

Timeframe: Oct 1999 - ongoing

Approximate Available Resources: \$0

2-3.1(B) Eliminate federal preferences (replacing them with desired state preferences), screen, and place applicants to create a better socio-economic mix.

Lead: PMMB

Assist: PEO

Timeframe: 4th Qtr 1999 – 3rd Qtr 2000

Approximate Available Resources: \$0

- **Strategy 2-3.2**

Integrate public housing projects into the surrounding communities.

- **Implementing Actions/Projects:**

2-3.2(A) Develop an integration and revitalization plan for public housing projects starting with Mayor Wright Homes, Kuhio Park Terrace, and Kalihi Valley Homes (in coordination with Resident Services Plan).

Lead: RSS, DB

Assist: PMMB, ASO, residents

Timeframe: 2nd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$250,000 Section 8 admin

2-3.2(B) Build positive alliances with key stakeholders in the communities (e.g., advocacy groups, resident associations, neighborhood boards, etc.)

Lead: RSS

Assist: PMMB

Timeframe: Ongoing

Approximate Available Resources: \$0

2-3.2(C) Request federal HOPE VI funding to revitalize Mayor Wright and the surrounding community.

Lead: DB

Assist: ASO, PMMB, HPS, RSS, PEO

Timeframe: 1st Qtr 1999 – 2nd Qtr 2001

Approximate Available Resources: \$35M

**GOAL 3: ASSIST PERSONS IN HOUSING PROGRAMS AND FACILITIES
ADMINISTERED BY THE CORPORATION TO ACHIEVE HIGHER LEVELS OF
ECONOMIC INDEPENDENCE.**

Need – *The national trend in the social service and public housing arena is to afford all welfare recipients and/or public housing residents an opportunity to better themselves and to become financially self-sufficient. Approximately 38% of federal and 48% of state public housing households receive welfare assistance.*

Discussion – *It is vital that residents of public housing and shelters be given every opportunity to become economically independent and transition into private rentals or homeownership. The Corporation, in partnership with other government agencies and non-profit providers, plays an essential role in assessing, developing, and implementing work skills and training programs for public housing residents to enable them to achieve their self-sufficiency goals.*

Objective 3-1. 150 households transition from homeless shelters to permanent housing.

- **Strategy 3-1.1**

Link homeless persons and families with permanent housing.

- **Implementing Actions/Projects:**

3-1.1(A) Develop a transition program linking homeless families to self-sufficiency programs that are available to public housing residents.

Lead: HPS

Assist: RSS, PMMB

Timeframe: Jan 1999 - Continuous

Approximate Available Resources: \$0

3-1.1(B) Work closely with homeless shelters to provide appropriate and effective case management and referrals to assistance programs.

Lead: HPS

Assist:

Timeframe: Jan 1999 - Continuous

Approximate Available Resources: \$0

Objective 3-2. Annually assist 5% or 300 public housing residents in attaining their economic self-sufficiency goals.

- **Strategy 3-2.1**

Determine special/economic needs of residents within the context of their projects and communities.

- **Implementing Actions/Projects:**

3-2.1(A) Continue to “talk story” with residents of the following projects with Family Investment Centers to ascertain their social, physical, and financial needs:

- Nanakuli Homes
- Wahiawa Terrace
- Hookipa Kahaluu
- Koolau Village
- Palolo Homes
- Hauiki
- Waimanalo Homes

Lead: RSS

Assist:

Timeframe: CY1999

Approximate Available Resources: \$0

3-2.1(B) Capture data on the various reasons that residents leave any assisted housing program administered by the Corporation.

Lead: PMMB

Assist: RSS, FB

Timeframe: 2nd and 3rd Quarter 1999

Approximate Available Resources: \$0

3-2.1(C) Complete master list of service providers that are eligible to receive grants to provide supportive services for public housing residents.

Lead: RSS

Assist: PMMB

Timeframe: 1st Qtr 1999

Approximate Available Resources: \$0

3-2.1(D) Develop a 3-year resident services plan for all public housing projects which will address the continuance of necessary programs and funding needs (in coordination with Revitalization and Integration Plan).

Lead: RSS

Assist: PMMB, DB

Timeframe: 2nd Qtr to 4th Qtr 1999

Approximate Available Resources: \$0

- **Strategy 3-2.2**

Provide needed services as identified in the Resident Services Plan.

- **Implementing Actions/Projects:**

3-2.2(A) Promote and coordinate leadership, safety action, community planning, conflict resolution, effective communications, daily living skills, financial management, and community and business mentoring programs for 75 people per year. Also, solicit training support and assistance from DOH, DHS, and other local, state, and federal agencies.

Lead: RSS

Assist: PMMB

Timeframe: CY1999 – ongoing (subject to availability of funds)

Approximate Available Resources: \$20,000 (Public Housing Drug Elimination Program (PHDEP) Grant)

3-2.2(B) Expand 19-hour tenant aide program to enable more residents to work as part-time employees of HCDCH, as well as to assist project managers in coordinating resident related activities and other work duties.

Lead: PMMB

Assist: RSS, HIO, ASO

Timeframe: July 1999 (start-up) – ongoing (subject to availability of funds)

Approximate Available Resources: \$500,000 – 50 positions @ \$10,000/person (Federal Low Rent Funds)

3-2.2(C) Establish a public housing and Section 8 Family Self-Sufficiency (FSS) Program to assist approximately 100 residents a year.

Lead: PMMB

Assist: RSS, PEO

Timeframe: 2nd and 3rd Qtr CY1999 (start-up) – ongoing (subject to availability of funds)

Approximate Available Resources: TBD

3-2.2(D) Expand programs to transition higher income public housing households to private rentals or homeownership. (Approximately 3% of public housing residents pay high rents and may be able to rent in the private market or become homeowners.)

Lead: PMMB

Assist: RSS, ASO, FB

Timeframe: CY 1999

Approximate Available Resources: \$1M (federal/state low rent funds, CGP)

3-2.2(E) Continue to sponsor events that encourage interaction within and between various housing projects (e.g., Sportsfest, dance alliance, community policing, etc.).

Lead: RSS

Assist: PMMB

Timeframe: Summer CY1999 – ongoing (subject to availability of funds)

Approximate Available Resources: \$20,000 (Public Housing Drug Elimination Program)

3-2.2(F) Establish a Youthbuild program for high school dropouts in public housing to obtain educational and employment skills.

Lead: RSS

Assist: PMMB, HIO, community colleges, trade unions

Timeframe: CY1999

Approximate Available Resources: TBD

3-2.2(G) Develop five computer networks (Neighborhood Networks) to link housing project residents to public and private organizations for job-related, educational, and other community purposes in 5 years.

Lead: RSS

Assist: PMMB

Timeframe: CY1999 – CY2003

Approximate Available Resources: TBD

3-2.2(H) Promote asset building as a practical means of transitioning public housing residents into private affordable housing.

- a. Evaluate income exclusions
- b. Support efforts to create Individual Development Accounts
- c. Participate in efforts to raise matching funds

Lead: PMMB

Assist: RSS

Timeframe: CY1999

Approximate Available Resources: TBD

3-2.2(I) Provide technical assistance, training, and organizing assistance to 5 resident associations that receive Tenant Opportunity Program grants.

Lead: RSS

Assist: PMMB

Timeframe: CY1999 – ongoing (subject to availability of funds)

Approximate Available Resources: TOP \$TBD

- **Strategy 3-2.3**

Establish community-based resource facilities (to conduct education, job training, health, social services, crime-reduction, etc. programs) through partnerships with private non-profits and for-profit and other government agencies through state and federal incentive and funding programs.

- **Implementing Actions/Projects:**

3-2.3(A) Facilitate the planning and development of a Kuhio Park Terrace Resource Center business plan with participating agencies, residents, community organizations, and providers. (Build on previous efforts.)

Lead: DB

Assist: RSS, PMMB, PEO, FB, ASO, HPS, Non-Profits

Timeframe: CY1999

Approximate Available Resources: \$10 (Congressional Appropriations - \$2M for design and \$8M for construction)

GOAL 4: INCREASE HOMEOWNERSHIP OPPORTUNITIES.

***Need** – The 1997 Update to the Hawaii Housing Policy Study shows that Hawaii's homeownership rate is currently about 57.9% while the national average is approximately 66.3% or 69.1 million. Approximately 7,850 housing units are projected to be needed for households earning between 80% to 120% of the median income from 1999 to 2003. These target groups are typically unable to qualify for "market-priced" housing.*

***Discussion** – Homeownership is a part of community development and a means of enhancing personal financial equity, family togetherness, and neighborhood pride and identity. Homeownership also frees up more rental units, alleviates overcrowding, generates jobs through increased construction, and promotes economic growth, "... unlock the door to homeownership for hard-working families, transforming homeownership from an impossible dream into a sweet reality... That's good news for families, good news for the housing industry, good news for lenders, and good news for America." (HUD Secretary Andrew Cuomo, October 1998)*

Objective 4-1. 750 first-time homebuyers through financing, development, and incentive programs per year.

- **Strategy 4-1.1**
Proactively administer homeownership programs.

- **Implementing Actions/Projects:**

4-1.1(A) Monitor takedown of 1997 and 1998 Hula Mae funds and plan subsequent bond issues to meet demand.

Lead: FB

Assist:

Timeframe: 1st Qtr 1999

Approximate Available Resources: \$0

4-1.1(B) Seek approval to increase bond authority by \$500 million to an aggregate authority of \$2.275B to ensure that a continuous supply of affordable mortgage money is available for low and moderate income families.

Lead: FB

Assist: PEO

Timeframe: 1999 Legislative Session

Approximate Available Resources: \$500M (Additional bond authority)

4-1.1(C) Seek authority to trade-in additional mortgage revenue bond authority to assist 50 to 80 first-time homebuyers per year through Mortgage Credit Certificates.

Lead: FB

Assist:

Timeframe: CY1999 or as needed.

Approximate Available Resources: \$10M of private activity bond allocation cap (no actual \$)

4-1.1(D) Promote downpayment loans through participating financial institutions.

Lead: FB

Assist: HIO

Timeframe: 1st Qtr CY1999 - Ongoing

Approximate Available Resources: \$3M

4-1.1(E) Coordinate the development of the Villages of Kapolei (1,145 for sale units).

Lead: DB

Assist: ASO

Timeframe: Ongoing – CY2003

Approximate Available Resources: \$90M (DURF, CIP, RHTF, private)

- **Strategy 4-1.2**

Transfer selected parcels of land (focusing on ceded lands) to the Department of Hawaiian Home Lands.

- **Implementing Actions/Projects:**

4-1.2(A) Transfer La'i'opua Village 4 to DHHL.

Lead: DB

Assist:

Timeframe: 3rd Qtr CY1999

Approximate Available Resources: \$0

- **Strategy 4-1.3**

Participate in obtaining land use entitlements for State land in East Kapolei to facilitate residential development.

- **Implementing Actions/Projects:**

4-1.3(A) Obtain appropriate state land use, development plan, and zoning designations for approximately 1,300 acres of state-owned land in East Kapolei

Lead: DB

Assist: ASO, FB, PEO

Timeframe: Ongoing – 4th Qtr CY1999

Approximate Available Resources: \$1.7M

4-1.3(B) Formulate an overall development strategy for East Kapolei (to include options such as bulk land sales).

Lead: FB

Assist: ASO, DB

Timeframe: 1st & 2nd Qtrs CY1999

Approximate Available Resources: \$125M (revenue bond authorization)
\$12M (DURF authorization)

4-1.3(C) Continue to monitor and assess the market and when appropriate, sell appropriately zoned state-owned lands in the 1,300 acres in East Kapolei to facilitate residential development.

Lead: DB

Assist: ASO, FB

Timeframe: Ongoing

Approximate Available Resources: \$0

GOAL 5: IMPROVE THE HOUSING DELIVERY SYSTEM THROUGH THE COST-EFFECTIVE MANAGEMENT OF GOVERNMENT PROGRAMS AND RESOURCES.

Need – While the State fiscal situation appears to be moving in a positive direction, it is vital to constantly evaluate current housing policies, programs, and procedures to ensure that housing and fiscal resources are being utilized in an efficient and effective manner.

Discussion – The purpose of this goal is to be innovative in directing resources to lower housing costs, maximize the use housing assets, and focus resources towards resident self-sufficiency and community development. This will ensure that the Corporation is prepared to respond to changing economic and housing conditions and regulatory requirements while stimulating the State's economic well being.

Objective 5-1. Housing programs that promote fair housing, are responsive to the changing needs of the community, “user” friendly, efficiently and effectively managed, and in compliance with county, state, and federal rules and regulations.

- **Strategy 5-1.1**

Regularly assess the general housing market and public housing and homeless services needs of low and moderate-income households and persons with special needs.

- **Implementing Actions/Projects:**

5-1.1(A) Validate housing need by conducting an in-house study of all public/private rental housing wait lists (e.g., public housing, tax credit, HOME, RHTF, etc. and possibly private projects under private management).

Lead: PMMB

Assist: ASO, DB, FB

Timeframe: 3rd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$0

5-1.1(B) Hold annual public meetings to assess housing needs and revise programs accordingly, as part of the consolidated planning process.

Lead: PEO

Assist: HPS

Timeframe: 4th Qtr each CY

Approximate Available Resources: \$2,500 (HOME) per year

5-1.1(C) Conduct homeless needs assessment in cooperation with the counties, HUD, and DHHL and update periodically.

Lead: HPS

Assist: PEO, county housing agencies, DHHL

Timeframe: 4th Qtr 1998 - 3rd Qtr 1999

Approximate Available Resources: \$80,000 - \$100,000 total – County Funds, ESG

5-1.1(D) Create an “intake form” system to update the homeless need assessment for use by all agencies receiving homeless funds through HCDCH.

Lead: HPS

Assist: ASO

Timeframe: 4th Qtr 1998 - 3rd Qtr 1999

Approximate Available Resources: \$0

5-1.1(E) Convene an annual statewide homeless forum to develop/update strategies and share current knowledge of the homeless population and their needs.

Lead: HPS

Assist:

Timeframe: 4th Qtr each CY

Approximate Available Resources: \$0

5-1.1(F) Obtain current housing needs statistics by updating the Hawaii Housing Study every 2 years.

Lead: PEO

Assist: FB, ASO, county housing agencies, DHHL, HCRC private

Timeframe: 4th Qtr 1999 – 2nd Qtr 2000; 4th Qtr 2001 – 2nd Qtr 2002

Approximate Available Resources: \$10,000

- **Strategy 5-1.2**

Review, evaluate, and where necessary, revise current housing policies and programs to ensure equal housing opportunities, respond to changing government regulations, consumer needs, etc. and streamline and enhance operations and coordination.

- **Implementing Actions/Projects:**

5-1.2(A) Review eviction, appeal and grievance procedures for HCDCH and revise as necessary.

Lead: HO, PEO

Assist: PMMB

Timeframe: 2nd Qtr 1999

Approximate Available Resources: \$0

5-1.2(B) Apply a uniform occupancy standard for all HCDCH housing properties.

Lead: PMMB

Assist: PEO

Timeframe: 1st Qtr 1999 – 1st Qtr 2000

Approximate Available Resources: \$0

5-1.2(C) Re-assess the State Rent Supplement Program and request statutory revisions as necessary.

Lead: PMMB

Assist: PEO

Timeframe: 1999 Legislative Session – 1st Qtr 2000

Approximate Available Resources: \$0

5-1.2(D) Evaluate refinancing possibilities and formalize debt management plan for Rental Housing System.

Lead: FB

Assist:

Timeframe: 1st Qtr CY1999

Approximate Available Resources: \$0

5-1.2(E) Hire consultant to evaluate non-residential revenue producing uses for properties owned or controlled by HCDCH.

Lead: PMMB

Assist: RSS, FB

Timeframe: 3rd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$50,000 (Applicable program funds)

5-1.2(F) Analyze the combining of the HRF and DURF cash flow.

Lead: ASO

Assist: FB, DB

Timeframe: 1st Qtr 1999

Approximate Available Resources: \$0

5-1.2(G) Identify ways to mitigate problems associated with placing the “young elderly” (i.e., persons with mental or physical disabilities) in federal elderly projects.

Lead: PMMB

Assist: ASO, PEO

Timeframe: 3rd and 4th Qtr 1999

Approximate Available Resources: \$10,000 (CGP)

5-1.2(H) Work with State agencies (e.g., DOH, DOE) to coordinate contract requirements, auditing, report format, and scopes of work for homeless services.

Lead: HPS

Assist:

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources: \$0

5-1.2(I) Prepare five-year Public Housing Agency Plan as required by the Quality Housing and Work Responsibility Act of 1998.

Lead: PEO

Assist: All

Timeframe: 2nd Qtr 1999 - ongoing

Approximate Available Resources: \$0

- Strategy 5-1.3
Maintain a Housing Advocacy and Information System that is accessible to housing consumers, providers and decision-makers.

- **Implementing Actions/Projects:**

5-1.3(A) Maintain and update a housing information system both internally and externally (e.g., internet).

Lead: PEO

Assist: ASO, PMMB, HIO

Timeframe: Ongoing

Approximate Available Resources: \$0

5-1.3(B) Develop and implement a public awareness campaign for housing advocacy and information system.

Lead: HIO

Assist: All

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources: \$2,600

5-1.3(C) Develop and publish a service and resource reference guide for homeless providers.

Lead: HPS

Assist: HIO

Timeframe: 4th Qtr 1998 – 3rd Qtr 1999

Approximate Available Resources: \$0

- Strategy 5-1.4
Establish programs to enhance operational efficiency in public housing.

- **Implementing Actions/Projects:**

5-1.4(A) Explore a uniform resident identification card system for all housing project residents in consultation with residents, resident associations, and law enforcement.

Lead: PMMB

Assist: RSS

Timeframe: 3rd Qtr 1999

Approximate Available Resources: \$10,000 (CGP)

5-1.4(B) Establish a coordinated system for linking rent billing and collection with other costs such as utilities, telephone, cable, etc.

Lead: PMMB

Assist: ASO

Timeframe: CY1999

Approximate Available Resources: \$10,000 (CGP)

5-1.4(C) Implement direct rental payments from DHS to HCDCH.

Lead: ASO

Assist: PMMB

Timeframe: 3rd Qtr 1999 - 2nd Qtr 2000

Approximate Available Resources: \$250,000 (DHS Funding)

5-1.4(D) Prepare an "evolving" architectural guidebook for design objectives and review criteria for public housing projects and homeless facilities. The guidebook will assist staff in providing consultants with design concepts that work to reduce the need for change orders.

a. Solicit design and building material input from branches and sections .

b. Prepare guidebook

Lead: DB

Assist: PMMB, HPS

Timeframe: 3rd Qtr 1999

Approximate Available Resources: \$0

- **Strategy 5-1.5**

Develop an asset management plan for properties owned or controlled by the HCDCH including master planned communities, East Kapolei, uncompleted in fill projects, and state and federal public housing projects. (The ceded land alienation trial is scheduled to begin in May, 1999. If the court decision is appealed, the issue may not be resolved until 2003. See Appendix C for summary of ceded land lawsuit.)

- **Implementing Actions/Projects:**

5-1.5(A) Maintain a current "land management" database of all properties owned or controlled by the HCDCH. This database would include information for all public housing projects, RHS rentals, ongoing developments, and land bank parcels (e.g., vacant or remnant parcels).

Lead: ASO

Assist: PEO, HPS, DB, PMMB, FB

Timeframe: 2nd Qtr 1999

Approximate Available Resources: \$0

5-1.5(B) Evaluate the financial position of HCDCH. Prepare pro-forma financials for all major funds (e.g., DURF, HRF, Public Housing, etc.)

Lead: ASO

Assist: DB, FB

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources: \$0

5-1.5(C) Conduct in-house feasibility analyses for the projects listed below; identify and evaluate alternatives; and develop alternate plans.

Project

Uluwehi

Kamaaina Hale

Banyan Tree

East Kapolei

Kau'olu Commercial
 Kau'olu Elderly/Assisted
 Kau'olu Sr. Center remnant
 Waimanalo Village rentals
 Waiahole
 Cliffside at Hanapepe
 Kamehameha Homes Elderly
 Villages at Leiali'i
 Villages of La'i'opua
 Villages of Kapolei:
 Elderly
 Loop area MF condo
 V-1 MF RHS
 V-1 MF Assisted
 V-2 MF RHS
 V-2 MF Assisted
 V-4 SF lots
 V-5 MF RHS
 V-5 MF Assisted
 V-5 SF lots
 V-7/8 MF Assisted
 V-7/8 SF lots

Lead: DB

Assist: FB, ASO, PMMB, PEO

Timeframe: Feasibility, 2nd Qtr 1999; Alternative plans, 3rd Qtr 1999

Resources: TBD

5-1.5(D) Conduct a "best use" analysis and develop strategies for all State public housing properties.

Lead: PMMB

Assist: PEO, DB, FB, ASO

Timeframe: 3rd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$50,000 - 100,000 (State Low-Rent Fund)

Objective 5-2. Efficient operations and communications within the HCDCH.

- **Strategy 5-2.1**
Conduct periodic internal management reviews.

- **Implementing Actions/Projects:**

5-2.1(A) Review all personnel positions and position descriptions and functions within the HCDCH.

Lead: ASO

Assist: All

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources: \$0

5-2.1(B) Develop and implement a monthly financial management reporting system to evaluate the fiscal operations of each branch and office.

- a. Establish budgets for all program areas.
- b. Monitor program costs on a monthly basis.
- c. Evaluate fee/cost allocations.
- d. Revise as necessary.

Lead: ASO

Assist: All

Timeframe: 3rd Qtr 1999 - ongoing

Approximate Available Resources: \$0

5-2.1(C) Review space and equipment utilization.

Lead: ASO

Assist:

Timeframe: Ongoing

Approximate Available Resources: \$0

- **Strategy 5-2.2**

Establish a policy where each employee attends one training session every year to improve and sharpen his or her professional knowledge and job skills.

- **Implementing Actions/Projects:**

5-2.2(A) Conduct training needs assessment and develop training programs and schedules to meet the identified requirements.

Lead: All

Assist: ASO

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources:

All:	\$137,000 (CGP – can only be used to support Federal public housing operations)
PMMB:	\$ TBD (Section 8 Funds)
HPS:	\$200 (GA – Operational Funds)
FB:	\$10,000 (Finance Programs)
DB:	\$100,000 (Federal Operational Funds) 2 nd Qtr CY1999
RSS:	\$5,000 (PHDEP)

5-2.2(B) Set up ADA training for staff including training staff trainers and seek other trainers and training materials.

Lead: CO

Assist: ASO

Timeframe: FFY1998 – \$2,000, FFY1999 – Continuous - TBD

Approximate Available Resources: See above. (CGP)

- Strategy 5-2.3
Coordinate requirements of Management Assessment directives that measure performance of the HCDCH to ensure program integrity and accountability in essential program operations.

- **Implementing Actions/Projects:**

5-2.3(A) Train, implement, monitor, and obtain Board resolution to approve certification for Section 8 Management Assessment Program (SEMAP).

Lead: CO

Assist: PMMB

Timeframe: 1st Qtr 1999 - ongoing

Approximate Available Resources: TBD

5-2.3(B) Train, implement, monitor, and obtain Board resolution to approve certification for Public Housing Assessment System (PHAS).

Lead: CO

Assist: PMMB

Timeframe: 2nd Qtr 1999 - ongoing

Approximate Available Resources: TBD

Objective 5-3. Financially sustainable housing programs.

- Strategy 5-3.1
Reduce operating deficit for state public housing programs.

- **Implementing Actions/Projects:**

5-3.1(A) Implement payment of flat rents.

Lead: PMMB

Assist: ASO

Timeframe: 2nd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$0

5-3.1(B) Assess the retrofitting of individual meters and passing on of utility costs to tenants/participants.

Lead: PMMB

Assist: DB

Timeframe: 2nd Qtr 1999 – 2nd Qtr 2000

Approximate Available Resources: \$80,000 (State Low Rent Funds)

- Strategy 5-3.2
Dedicate infrastructure that is currently being maintained by the HCDCH to the appropriate counties.

- **Implementing Actions/Projects:**

5-3.2(A) Dedicate infrastructure in the Villages of Kapolei to the City and County of Honolulu.

Lead: DB

Assist:

Timeframe: Dedicate Backbone 1 - 4th Qtr CY1999

Dedicate Backbone 2 - 4th Qtr CY1999

Approximate Available Resources: TBD

5-3.2(B) Dedicate roadways at Cliffside at Hanapepe to the County of Kauai.

Lead: DB

Assist:

Timeframe: Roads - 1st Qtr CY2000

Approximate Available Resources: Study: \$75,000

Repairs: \$500,000

Appendix A

CAPITOL IMPROVEMENT PROGRAM (CIP) FUNDING

Projects	FY2001				
	No. of Units	Design	Construction	No. of Units Completed	Completion Date
Hauiki	40	\$190,000	\$375,000	8	---
Palolo I	82	110,000	1,045,000	82	Dec 2003
Palolo II	224	815,000	170,000	4	---
Palolo I & II	306	65,000	145,000	81	---
Puahala Homes	128	435,000	120,000	4	---
Lead-Based Paint and Asbestos Abatement Statewide	510	600,000		0	---
	1290	\$2,215,000.00	\$1,855,000.00	179	

Projects	FY2002				
	No. of Units	Design	Construction	No. of Units Completed	Completion Date
Hauiki	40	---	\$1,500,000	32	Dec 2003
Palolo I	82	---	---	---	---
Palolo II	224	---	9,000,000	220	Dec 2004
Palolo I & II	306	---	400,000	225	Dec 2004
Puahala Homes	128	---	3,770,000	124	June 2004
Lead-Based Paint and Asbestos Abatement Statewide	510	---	7,000,000	510	Dec 2004
	1290	---	20,170,000	1079	

Appendix B

FIVE YEAR COMPREHENSIVE GRANT FUNDING SCHEDULE

1st YEAR – FFY 1998

Project Name – HCDCH Number	Total Units	1 st Year - FFY1998 (# Units)		Totals Budgeted** FFY 1998 – FFY 2002		Estimated Time of Completion
		Design	Construction	Design	Construction	
Mayor Wright Homes – 103	364	-	-	\$375,000	\$750,000	?
***Lanakila Homes – 104/113/114	230	-	\$6,000,000 (48)	-	\$18,000,000	Apr 2003
Kalihi Valley Homes -- 105	400	-	\$1,486,935 (TBD)	\$600,000	\$11,105,999	?
Palolo Homes – 108	118	-	-	\$648,172	-	?
Kuhio Park Terrace –110	614	-	\$500,000 (TBD)	-	\$7,644,651	Jun 2005
Makua Alii – 112	211	-	-	\$618,006	-	?
Pomaikai – 129	20	-	-	\$100,000	\$500,340	Jun 2006
***Hale Hauoli – 131	40	-	-	\$370,000	\$689,075	?
***Maili I -- 133	20	\$270,000 (20)	-	\$270,000	\$3,000,000	Jun 2004
*Waipahu I -- 138	19	-	\$1,063,000 (19)	-	1,063,000	Apr 2000
*Waipahu II – 139	20	\$70,000 (20)	-	\$70,000	\$771,824	Jun 2003
***Piilani Homes – 144	42	-	-	\$200,000	-	?
***Kupuna Home O'Waialua – 150	40	-	-	\$400,000	-	?
*Hale Olaloa -- 152	50	-	\$832,000 (50)	-	\$832,000	Apr 2001
Kauhale Nani – 156	50	-	\$242,453 (TBD)	-	\$2,388,675	Jun 2004
***Waimaha/Sunflower – 157	130	-	\$2,154,076 (TBD)	-	\$10,518,500	Apr 2005
Salt Lake Apartments – 166	28	-	-	\$204,835	\$202,600	?
***Noelani I – 171	19	-	-	\$30,000	\$374,750	Jun 2005
Total FFY 1998	2,415		\$3,228,529 (TBD)	\$234,835	\$14,316,525	

*Budgeted to address only health, safety, and codes issues, projects considered to be fully funded.

***"Totals Budgeted" does not always reflect full funding required to complete modernization of all projects.

*** Replacement project

2nd YEAR – FFY 1999

Project Name – HCDCH Number	Total Units	2 nd Year – FFY1999 (# Units)		Totals Budgeted** FFY 1998 – FFY 2002		Estimated Time of Completion
		Design	Construction	Design	Construction	
Mayor Wright Homes – 103	364	-	-	\$375,000	\$750,000	?
***Lanakila Homes – 104/113/114	230	-	\$6,000,000 (46)	-	\$18,000,000	Apr 2003
Kalihi Valley Homes – 105	400	-	\$3,709,064 (TBD)	\$600,000	\$11,105,999	?
Palolo Homes – 108	118	-	-	\$648,172	-	?
Kuhio Park Terrace –110	614	-	\$395,000 (TBD)	-	\$7,644,651	Jun 2005
Makua Alii – 112	211	-	-	\$618,006	-	?
Pomaikai – 129	20	-	-	\$100,000	\$500,340	Jun 2006
***Hale Hauoli – 131	40	-	-	\$370,000	\$689,075	?
***Maili I -- 133	20	-	-	\$270,000	\$3,000,000	Jun 2004
*Waipahu I -- 138	19	-	-	-	1,063,000	Apr 2000
*Waipahu II – 139	20	-	-	\$70,000	\$771,824	Jun 2003
***Piilani Homes – 144	42	-	-	\$200,000	-	?
***Kupuna Home O'Waialua – 150	40	-	-	\$400,000	-	?
*Hale Olaloa -- 152	50	-	-	-	\$832,000	Apr 2001
Kauhale Nani – 156	50	-	\$97,103 (TBD)	-	\$2,388,675	Jun 2004
***Waimaha/Sunflower – 157	130	-	\$2,325,348 (TBD)	-	\$10,518,500	Apr 2005
Salt Lake Apartments – 166	28	-	-	\$204,835	\$202,600	?
***Noelani I – 171	19	-	-	\$30,000	\$374,750	Jun 2005
Total FFY 1999	2,415	-	\$2,422,451 (TBD)	\$234,835	\$14,316,525	

*Budgeted to address only health, safety, and codes issues, projects considered to be fully funded.

***"Totals Budgeted" does not always reflect full funding required to complete modernization of all projects.

*** Replacement project

3rd YEAR – FFY 2000

Project Name – HCDCH Number	Total Units	3 rd Year - FFY 2000 (# Units)		Totals Budgeted** FFY 1998 – FFY 2002		Estimated Time of Completion
		Design	Construction	Design	Construction	
Mayor Wright Homes – 103	364	\$75,000 (TBD)	-	\$375,000	\$750,000	?
***Lanakila Homes – 104/113/114	230	-	\$6,000,000 (56)	-	\$18,000,000	Apr 2003
Kalihi Valley Homes – 105	400	\$600,00 (TBD)	-	\$600,000	\$11,105,999	?
Palolo Homes – 108	118	\$48,172 (TBD)	-	\$648,172	-	?
Kuhio Park Terrace –110	614	-	\$1,799,907 (TBD)	-	\$7,644,651	Jun 2005
Makua Alii – 112	211	-	-	\$618,006	-	?
Pomaikai – 129	20	-	-	\$100,000	\$500,340	Jun 2006
***Hale Hauoli – 131	40	\$70,000 (TBD)	-	\$370,000	\$689,075	?
***Maili I -- 133	20	-	\$900,000 (TBD)	\$270,000	\$3,000,000	Jun 2004
*Waipahu I -- 138	19	-	-	-	1,063,000	Apr 2000
*Waipahu II – 139	20	-	\$771,824 (20)	\$70,000	\$771,824	Jun 2003
***Piilani Homes – 144	42	-	-	\$200,000	-	?
***Kupuna Home O'Waialua – 150	40	-	-	\$400,000	-	?
*Hale Olaloā -- 152	50	-	-	-	\$832,000	Apr 2001
Kauhale Nani – 156	50	-	\$530,776 (TBD)	-	\$2,388,675	Jun 2004
***Waimaha/Sunflower – 157	130	-	\$1,743,004 (TBD)	-	\$10,518,500	Apr 2005
Salt Lake Apartments – 166	28	-	-	\$204,835	\$202,600	?
***Noelani I – 171	19	-	-	\$30,000	\$374,750	Jun 2005
Total FFY 2000	2,415	\$70,000 (TBD)	\$2,273,780 (TBD)	\$234,835	\$14,316,525	

*Budgeted to address only health, safety, and codes issues, projects considered to be fully funded.

***"Totals Budgeted" does not always reflect full funding required to complete modernization of all projects.

*** Replacement project

4th YEAR – FFY 2001

Project Name – HCDCH Number	Total Units	4 th Year - FFY 2001 (# Units)		Totals Budgeted** FFY 1998 – FFY 2002		Estimated Time of Completion
		Design	Construction	Design	Construction	
Mayor Wright Homes – 103	364	-	\$750,000 (TBD)	\$375,000	\$750,000	?
***Lanakila Homes – 104/113/114	230	-	-	-	\$18,000,000	Apr 2003
Kalihi Valley Homes – 105	400	-	\$1,970,000 (TBD)	\$600,000	\$11,105,999	?
Palolo Homes – 108	118	\$600,000 (TBD)	-	\$648,172	-	?
Kuhio Park Terrace – 110	614	-	\$2,249,884 (TBD)	-	\$7,644,651	Jun 2005
Makua Alii – 112	211	-	-	\$618,006	-	?
Pomaikai – 129	20	\$100,000 (TBD)	-	\$100,000	\$500,340	Jun 2006
***Hale Hauoli – 131	40	-	\$689,075 (TBD)	\$370,000	\$689,075	?
***Maili I -- 133	20	-	\$2,100,000 (TBD)	\$270,000	\$3,000,000	Jun 2004
*Waipahu I -- 138	19	-	-	-	1,063,000	Apr 2000
*Waipahu II – 139	20	-	-	\$70,000	\$771,824	Jun 2003
***Piilani Homes – 144	42			\$200,000	-	?
***Kupuna Home O'Waialua – 150	40	-	-	\$400,000	-	?
*Hale Olaloa -- 152	50	-	-	-	\$832,000	Apr 2001
Kauhale Nani – 156	50	-	\$1,518,343 (TBD)	-	\$2,388,675	Jun 2004
***Waimaha/Sunflower – 157	130	-	\$1,743,004 (TBD)	-	\$10,518,500	Apr 2005
Salt Lake Apartments – 166	28	\$204,835 (TBD)	-	\$204,835	\$202,600	?
***Noelani I – 171	19	\$30,000 (TBD)	-	\$30,000	\$374,750	Jun 2005
Total FFY 2001	2,415	\$234,835 (TBD)	\$237,250 (TBD)	\$234,835	\$14,316,525	

*Budgeted to address only health, safety, and codes issues, projects considered to be fully funded.

***Totals Budgeted" does not always reflect full funding required to complete modernization of all projects.

*** Replacement project

5th YEAR – FFY 2002

Project Name – HCDCH Number	Total Units	5 th Year - FFY 2002 (# Units)		Totals Budgeted** FFY 1998 – FFY 2002		Estimated Time of Completion
		Design	Construction	Design	Construction	
Mayor Wright Homes – 103	364	\$300,000 (TBD)	-	\$375,000	\$750,000	?
***Lanakila Homes – 104/113/114	230	-	-	-	\$18,000,000	Apr 2003
Kalihi Valley Homes – 105	400	-	\$3,940,000 (TBD)	\$600,000	\$11,105,999	?
Palolo Homes – 108	118	-	-	\$648,172	-	?
Kuhio Park Terrace –110	614	-	\$2,699,860 (TBD)	-	\$7,644,651	Jun 2005
Makua Alii – 112	211	\$618,006 (TBD)	-	\$618,006	-	?
Pomaikai – 129	20	-	\$500,340 (TBD)	\$100,000	\$500,340	Jun 2006
***Hale Hauoli – 131	40	\$300,000 (TBD)	-	\$370,000	\$689,075	?
***Maili I -- 133	20	-	-	\$270,000	\$3,000,000	Jun 2004
*Waipahu I -- 138	19	-	-	-	1,063,000	Apr 2000
*Waipahu II – 139	20	-	-	\$70,000	\$771,824	Jun 2003
***Piilani Homes – 144	42	\$200,000 (TBD)	-	\$200,000	-	?
***Kupuna Home O'Waialua – 150	40	\$400,000 (TBD)	-	\$400,000	-	?
*Hale Olaloa -- 152	50	-	-	-	\$832,000	Apr 2001
Kauhale Nani – 156	50	-	-	-	\$2,388,675	Jun 2004
***Waimaha/Sunflower – 157	130	-	\$2,553,068 (TBD)	-	\$10,518,500	Apr 2005
Salt Lake Apartments – 166	28	-	\$202,600 (TBD)	\$204,835	\$202,600	?
***Noelani I – 171	19	-	\$374,750 (TBD)	\$30,000	\$374,750	Jun 2005
Total FFY 2002	2,415	\$600,000 (TBD)	\$3,130,418 (TBD)	\$234,835	\$14,316,525	

*Budgeted to address only health, safety, and codes issues, projects considered to be fully funded.

***Totals Budgeted" does not always reflect full funding required to complete modernization of all projects.

*** Replacement project

Appendix C

Summary of "Ceded" Land Lawsuit

On November 28, 1994, HFDC and the State Department of Land and Natural Resources (DLNR), were served with two lawsuits filed in State Circuit Court opposing DLNR's conveyance of lands to HFDC for the development of the Villages of Leiali'i on Maui on the basis that the project lands are ceded lands. One lawsuit was filed by the Trustees of the Office of Hawaiian Affairs (OHA) and seeks to stop HFDC from further developing the Leiali'i houselots for sale to private individuals. The lawsuit also seeks in the alternative, re-appraisal of the project lands due to alleged procedural defects in the original appraisal process.

The other lawsuit was filed by Pia Thomas Aluli and other named Hawaiians to likewise stop HFDC from selling the Leiali'i houselots to private individuals, and questions in general, the State of Hawaii's constitutional right to sell ceded lands. On July 14, 1995, the two lawsuits were consolidated and amended to broaden the scope of the lawsuits to seek stoppage of all ceded land sales to private individuals in the State of Hawaii.

In response to the lawsuits, the State Attorney General on July 17, 1995 issued an opinion stating that the State "has been and remains empowered to sell trust lands subject to the terms of the trust." Based on this opinion, Governor Cayetano on August 10, 1995 gave the HFDC the authority to proceed on the Maui and Hawaii planned communities. Development activity has not occurred, however, since title companies will not provide a clear title to these projects based on litigation that is anticipated to occur over the five years. Trial is scheduled to commence on May 4, 1999.

Appendix D

Glossary of Housing Terms, Programs, Acronyms

ASO – Administrative Services Office provides accounting, purchasing, personnel, data systems, and budgeting functions.

Ceded lands - The term “ceded lands” is synonymous with the phrase “public land and other public property” as defined in section 5(g) of The Admissions Act. It means, and is limited to, the lands and properties that were ceded to the United States by the Republic of Hawaii under the joint resolution of annexation approved July 7, 1898 (30 Stat. 750), or that have been acquired in exchange for lands or properties so ceded.

Chapter 201G, HRS Development Assistance Tools - Pursuant to section 201G-118, HRS, HCDCH is authorized to develop or assist in the development of housing projects which are exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon. This tool provides for greater design flexibility and subsequently, cost savings.

HCDCH is also provided with an expedited review process for housing projects. Upon HCDCH's submission of the preliminary plans and specifications for a housing project, a county council has 45 days in which to approve or disapprove the project. If on the forty-sixth day a project is not disapproved, it is deemed to be approved by the council. Similarly, upon submission of a petition for a State land use district boundary amendment, the State Land Use Commission has 45 days in which to approve a petition. If on the forty-sixth day a petition is not disapproved, it shall be deemed approved by the LUC.

CGP – Comprehensive Grant Program was authorized by Section 119 of the Housing and Community Development Act of 1987 which amended the U.S. Housing Act of 1937 (Act). The Cranston-Gonzales National Affordable Housing Act of 1990 amended the Act to establish the grant allocation formula for the CGP. The CGP was created to improve the physical condition and to upgrade the management and operations of existing public housing developments to assure their continued availability for low-income families.

CO - Compliance Office provides oversight for compliance with federal and state requirements, fair housing laws, etc.

Cost burden – The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data available from the U.S. Census Bureau.

DB - Development Branch provides overall administration of the various development, re-development, and rehabilitation or modernization programs. This Branch provides developer assistance, construction management, and technical support services to increase housing opportunities for low and moderate income households, elderly persons, and special needs groups. Development activities are coordinated with other State.

Downpayment Loan Program - This program provides eligible borrowers with downpayment loans. The maximum loan amount is 30% of the purchase price or \$15,000, whichever is less. Interest rate for loans made under the program is 3%. Funds made available must be applied simultaneously with the first mortgage and will be recorded or filed as a second mortgage on the property purchased with the loan.

The HCDCH works closely with lending institutions that have made a commitment to participate in the Program. The lending institutions accept applications and screen the applicants to determine their eligibility under Program guidelines, as well as their ability to qualify for the loan. Once the applicants are determined to be eligible and qualified, the lender processes the loan application, and delivers the loan to the HCDCH.

Dwelling Unit Revolving Fund (DURF) - DURF was established pursuant to Act 105, SLH 1970. It was capitalized at \$125 million through the sale of general obligation bonds for acquiring, developing, selling, leasing, and renting residential, commercial, and industrial properties; and providing mortgage, interim construction, down payment, participation mortgage, and agreement of sale loans. Recently, DURF has been used primarily for interim construction financing of housing projects. Interim construction loans are generally available at 7.5% interest and one point. Eligible projects are funded on a case-by-case basis subject to availability of funds and Governor's approval.

Elderly person – A person who is at least 62 years of age.

Emergency shelter – Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or for specific populations of the homeless.

ESG – Emergency Shelter Grant is a federal grant program designed to help improve the quality of life of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness.

Exemption from the State's 4% General Excise Taxes (GET) - May be provided to qualified persons and firms involved with the design, construction, sale or lease of an eligible affordable housing project developed by or for the HCDCH, the counties, or other government entity. Rental income received on affordable units may also be exempt from the 4% GET.

Extremely low-income – 30% of the area median income for the area, as determined by HUD, subject to specified adjustments for areas with unusually high or low incomes.

FB - Finance Branch provides overall administration of the various housing financing programs. This includes allocating low income housing tax credits and issuing tax-exempt bonds to finance the construction and/or acquisition of rental housing projects, as well as below-market mortgages for first-time homebuyers. The Finance Branch also provides various real estate services, such as homeownership counseling, buy-backs, and land negotiation, to support the Corporation's various programs.

Federal Low Rent Public Housing – A federally-subsidized program which provides housing in the public sector. It provides money for new construction and operating subsidies. Participants reside in geographically distinct developments and receive dwelling units, as well as ancillary services, necessary to provide a decent, safe and sanitary living environment. Tenants pay a maximum of 30% of their adjusted gross family income toward rent.

Hawaii Development Revolving Fund - Nonprofit entities are able to receive grants or seed money loans at interest rates of up to 6% to cover planning, development, and other initial costs, including the cost of options, agreements of sale, and downpayments, for commencing projects to provide low or moderate cost housing through government assistance programs.

HO - Hearings Office holds eviction hearings and coordinates appeal hearings.

HOME Investment Partnerships (HOME) - The HOME Program was created by the National Affordable Housing Act of 1990. This program is intended to be a locally designed and administered program which expands the supply of decent, safe, affordable, and sanitary housing, with primary attention to low-income rental housing; strengthens the abilities of state and local governments to design and implement affordable housing strategies; and provides both federal financing and technical assistance (including the development of model programs and approaches). The program is also intended to provide local jurisdictions with a source of funds which can be used to implement locally designed housing programs which best fit local needs.

The State receives approximately \$3 million a year under the HOME Program. HCDCH has been allocating these funds equally among the Counties of Hawaii, Kauai, and Maui.

Homeless person - A youth (17 years or younger) not accompanied by an adult (18 years or older) or an adult without children, who is homeless (not imprisoned or otherwise detained pursuant to an act of Congress or a State law), including the following:

- (1) An individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) An individual who has a primary nighttime residence that is:
 - (i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - (ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - (iii) A public or private place not designed for, or ordinarily used as a regular sleeping accommodation for human beings.

Homeless subpopulations – Include but are not limited to the following categories of homeless persons: severely mentally ill only, alcohol/drug addicted only, severely mentally ill and alcohol/drug addicted, fleeing domestic violence, youth, and persons with HIV/AIDS.

Homes Revolving Fund (HRF) - The Homes Revolving Fund was established by the State Legislature in 1988 and was capitalized at \$120 million. Its purpose is to develop and implement affordable housing programs including the development of infrastructure, development of off-site and on-site improvements required for development, providing short-term or interim construction loans, development and construction of housing, and advancing equity capital for the Rental Housing System administered by HCDCH. Eligible projects are funded on a case-by-case basis subject to availability of funds and Governor's approval.

HOPE VI - Addresses public housing demolition, site revitalization, and replacement housing. Funds are awarded on a competitive basis and are available to public housing agencies that own or operate public housing units. The program will fund demolition, the capital costs of reconstruction, rehabilitation and other physical improvements, the provision of replacement housing, management improvements, resident self-sufficiency programs and tenant-based assistance.

HPS – Homeless Programs Section develops, administers, coordinates, monitors and evaluates State and federal homeless programs including an outreach program, shelter stipends, and grants.

HUD – U.S. Department of Housing and Urban Development.

Hula Mae Multi-Family Bond Program - Provides private developers/owners of rental housing with interim and permanent financing at below-market interest rates through the issuance of tax-exempt revenue bonds. To be eligible, the rental projects must reserve at least 20% of their units for tenants whose incomes are less than 50% of the area median income, or 40% of the units for tenants whose incomes are less than 60% of the area median. The developer/owner must agree to keep the project in compliance with these requirements for the term of the loan.

Hula Mae Single Family Program - Hula Mae is an innovative mortgage loan program created by the Hawaii State Legislature in 1979 for families of low and moderate income. Through the use of tax-exempt revenue bonds, the Hula Mae Program provides eligible home buyers with mortgage loans at interest rates below those available on conventional loans.

HCDCH works closely with private lending institutions that have made a commitment to participate in the Hula Mae Program. The participating lending institutions review the borrowers' eligibility and qualifications for the Hula Mae loan. Borrowers are required to meet certain federal requirements including income and purchase price limitations, as well as the three year no prior ownership interest in a principal residence for the term of the Hula Mae loan.

Low Income – 80% of the median family income for the area, as determined by HUD, subject to specified adjustments for areas with unusually high or low incomes.

Low Income Housing Tax Credit Program - This program is intended to promote the development and rehabilitation of low-income housing through the use of federal and state low-income housing tax credits. Owners must set aside either 20% of the units for tenants earning less than 50% of the area median income or 40% of the units for tenants earning less than 60% of the area median income.

The federal government allots \$1.25 per capita of tax credits to each state annually. For Hawaii, this amounts to approximately \$1.4 million in federal tax credits received each year. The state credit is 30% of this amount, or approximately \$400,000, for a total of approximately \$1.8 million in allocable tax credits each year.

The annual federal credit is either approximately 9% or 4% of qualified development costs (generally all depreciable costs). Annual state credit is equal to 30% of the federal amount. The 9% credit is available to those projects that are newly constructed or rehabilitated. The 4% credit is available to those projects using any other type of federal funds for permanent financing, including the use of tax-exempt revenue bonds.

Mixed-Income - Refers to a resident mix that includes families with various income levels within one development. Mixed-income developments combine public housing families with other residents in order to decrease the economic and social isolation of these families.

Mortgage Credit Certificate Program - This program was authorized by Congress in the 1984 Tax Reform Act as a means of providing housing assistance to families of low and moderate income. HCDCH is an issuer of Mortgage Credit Certificates (MCC). The MCC eligibility requirements are identical to the Hula Mae Single Family Program.

The MCC Program provides eligible borrowers with a direct tax credit against their federal income tax liability making more income available to both qualify for a mortgage loan and make monthly payments. The amount of credit is equivalent to 20% of the annual interest paid on a mortgage loan. This means that 20% of the annual interest paid on a mortgage loan will be a direct dollar for dollar reduction in federal tax liability, while the remaining 80% will continue to qualify as an itemized tax deduction.

The amount of the mortgage credit depends on the amount of interest a homeowner pays on the mortgage loan. However, the amount of your mortgage credit cannot exceed the amount of the homeowner's annual federal income tax liability. Unused mortgage credit can be carried forward for three years to offset future income tax liability.

Overcrowding - A housing unit containing more than one person per room.

PEO - Planning and Evaluation Office provides housing research and needs assessment, legislative, and overall planning support functions.

Person with a disability - A person who is determined to:

- (1) Have a physical, mental or emotional impairment that:
 - (i) is expected to be of long-continued and indefinite duration;
 - (ii) substantially impedes his or her ability to live independently; and
 - (iii) is of such a nature that the ability could be improved by more suitable housing conditions; or
- (2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6007); or
- (3) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

PMMB - Property Management and Maintenance Branch provides management and maintenance for assigned rental housing and homeless facilities, vacant land, and equipment of the Corporation. The Branch also administers the Section 8 and Rent Supplement rent subsidy programs.

RSS - Resident Services Section develops and implements programs to provide various supportive services to residents and low and moderate-income individuals and families seeking housing. Also provides functional and technical support to program personnel in the individual projects related to resident services.

Rent Supplement Program - A State-funded rent subsidy program. Participants receive subsidies to live in private sector housing units. The subsidy is intended to provide supplemental rental assistance which is based on a percentage of family income, not to exceed \$160 per month per family. The program's criteria for participation use income limits (based on family size) which have been established by the State Legislature.

Rent-to-Own Program - Act 306, SLH 1992, created a Rent-to-Own Program for the purpose of allowing eligible persons to rent a for-sale unit and credit a portion of the rent paid toward the purchase of the unit. The sales price of the unit will be set at the beginning of the rental term and will remain fixed for a period of 5 years. The HCDCH would credit rental payments toward the sales price of the unit. During the initial 5 year period, the renter will have the option to purchase the unit at the pre-established sales price. If the renter does not exercise its right to purchase the unit within 5 years, the renter will forfeit the right to continue living in the unit and the unit will be made available to another purchaser or renter.

Rental Assistance Program - This program encourages private sector participation in the development and preservation of rental housing projects. Rental subsidies averaging \$175 per month are committed to qualified projects (which set aside units affordable to households earning up to 80% of the area median income. The 1992 State Legislature amended this program to allow for other uses of the funds (see Rental Assistance Revolving Fund, below). A limitation was set as to the maximum commitments and contracts HCDCH could enter into, and this limit has been reached. Until the existing contracts expire or a new limit is passed by the Legislature, no new commitments will be made under this program.

Rental Assistance Revolving Fund (RARF) - In 1992, the State Legislature set aside \$25 million from the Rental Assistance Program for the purpose of providing interim construction loans for rental projects. An additional \$25 million in taxable bonds may be issued to increase the fund to a total of \$50 million. Loans of up to \$10 million per project may be made at an interest rate of 4-5% and 1 point. Rental projects must meet one of the following criteria:

- At least 20% of the units for individuals earning up to 50% of the median income;
- At least 40% of the units for individuals earning up to 60% of the median income; or
- At least 60% of the units for individuals earning up to 140% of the median income.

Primary preference is for private non-profit and for-profit developers.

Rental Housing Trust Fund (RHTF) - The RHTF was created by the State Legislature in 1992 to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing. Funds were provided initially through a \$15 million transfer from the Rental Assistance Revolving Fund. An additional transfer of \$3.2 million from RARF was later made in 1995. Twenty five percent of collections made from the conveyance tax is dedicated to the RHTF. This generates approximately \$1.5 million per year.

At the time of admission, at least 50% of the units are to be set aside for persons and families with incomes at or below 60% of the median income and at least 10% of the available units are to be set aside for persons and families with incomes at or below 30% of the median income. The remaining units must be for persons or families with incomes at or below 100% of the median income at the time of admission.

Rental Housing System (RHS) - The RHS was developed and implemented in response to the State's acute rental housing shortage and cutbacks in federal funding. It is based largely on public efforts to build and maintain an adequate supply of affordable rentals in the State. The first program of its kind in the nation, the RHS consists of multi-family rental projects which are acquired or constructed by the HCDCH, and financed from the proceeds of tax-exempt revenue bonds issued by the Corporation. The HCDCH retains ownership of these rental projects; and bonds are payable from the net revenues of the entire Rental Housing System. The unique feature about this program is that because various projects are financed under a consolidated bond indenture, the projects support each other and thereby reduce individual project risks. By structuring the RHS in this manner, and obtaining credit enhancements, the HCDCH is generally able to obtain lower financing costs for its projects, resulting in more affordable rental rates.

Section 8 Existing – The Section 8 Existing Housing Payments Program is a federally-funded rent subsidy program. Eligible participants receive rent subsidies (in the form of Section 8 certificates or vouchers) to live in private sector housing units.

Severe cost burden – The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data available from the U.S. Census Bureau.

Special needs groups – Persons for whom social problems, age, or physical or mental disabilities impair their ability to live independently and for whom such ability can be improved by more suitable housing conditions. They may include the frail elderly, persons with severely disabling mental illnesses, and persons who are homeless.

State Public Housing – A State-subsidized program that provides housing in the public sector. It provides money for new construction and operating subsidies. Participants reside in geographically distinct developments and receive dwelling units, as well as ancillary services, necessary to provide a decent, safe and sanitary living environment. Tenants pay a maximum of 30% of their adjusted gross family income toward rent.

Transitional housing – A project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months, or a longer period approved by HUD.

Very low-income - 50% of the median family income for the area, as determined by HUD, subject to specified adjustments for areas with unusually high or low incomes.

Youthbuild – A HUD initiative that funds programs that help young high-school dropouts obtain education, employment skills, and meaningful on-site work experience in a construction trade.